

1 JOE CLARK

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3 MR. CLARK: Madam Chair and members of the
4 Commission, I'm Joe Clark with the Illinois Family Institute.
5 Two weeks ago I had the chance to spend some time with a woman
6 who I'll call Amy who lived in a western suburb here in the
7 Chicago area. Amy is going through a very difficult time. Her
8 husband is an addicted gambler, formally a six figure income
9 family. He was a major partner with a Fortune 500 company. The
10 situation is such that she's now fighting for possession of her
11 home. She is fighting the IRS for non-filing for two years,
12 where her husband failed to pay taxes. She's also trying to cut
13 off access to credit cards, where her husband has used her name
14 as well as his own in applying for credit, and she was employed
15 as well.

16 This particular situation is particularly repugnant
17 because what I have seen happening in this case is something I'll
18 have to call nothing short of predatory marketing. And Mr.
19 Moore, I would suggest that one thing this Commission can do is
20 look at the marketing practices of casinos. We heard it called
21 high roller clubs earlier. I guarantee you that we'll hear it
22 called player's clubs, slot clubs just as frequently.

23 There's a profiling process that begins with frequent
24 visitors to the gambling sites and that results in major
25 marketing that goes on with the frequent visitor. Things that
26 are mailed to the home, birthday cards, you get all kinds of
27 things.

28 This lady happens to still be getting marketing from
29 the casinos. This example I'm giving you here gives her a

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1 membership at the exclusive private club at one of the local
2 casinos I believe out in Elgin. This is a cheers celebration,
3 just to remember that you're here, that sort of thing. Once a
4 month she's getting something like this in spite of her plight,
5 her current situation, with absolutely no credit. They still
6 want her to come back and she's never been. Her husband is the
7 one that signed her up for this.

8 Predatory marketing is a huge concern for us in
9 Illinois because right now, 1997, we have seen the first decline
10 since the casinos have been here, a decline in their revenues.
11 And these are smart business men and women and they know how to
12 increase revenues. They'll do that through, I believe, increased
13 predatory marketing.

14 You look at who is visiting the boats in Illinois, a
15 third of the people account for 60 percent of the visits. These
16 are the people that are slot club members, people that get this
17 kind of marketing. Currently four out of ten are over 55; six
18 out of ten are women; and three out of ten have income less than
19 \$30,000 a year.

20 We only have time to mention the elderly. You
21 project where we are demographically in Illinois versus what the
22 census says, there will be six out of ten of these casino
23 visitors that will likely be over 55 within ten years. You add
24 to that the thought process, the electronic gaming devices, the
25 EGDs, the video slots are the most prevalent used by these.
26 They're low skilled. They target women; they target senior
27 citizens.

28 The Illinois casinos are showing a growing dependency
29 on this type of gambling, from 42 percent of the revenues in '91,

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1 to almost 75 percent last year. Again, the key is as revenues
2 are declining we expect to see marketing of this type towards
3 those least able to afford it, to the seniors, the women and the
4 low income. Case in point, Carolyn and Skip Warner, age 53 and
5 69 respectively, down in Joliet. Miss Warner was well known on
6 the riverboat in Joliet and she accumulated a \$200,000 debt;
7 committed suicide. Her husband Skip followed her weeks later.
8 They also lost their home. You have to ask, how can we allow
9 this kind of marketing to continue?

10 Bankruptcy continues to be of interest to your folks.
11 The Illinois bankruptcy attorneys will say ten to 15 percent of
12 their case load, which is something between 6,000 and 9,000
13 bankruptcies in Illinois alone in 1997, were tied to gambling.

14 As you look at the options that you have, what you
15 can do, monitoring predatory marketing practices. When I was a
16 senior in high school I received free cigarettes on the high
17 school campus. That was predatory. I consider what's happening
18 now, with many people being identified as these slot club
19 members, getting all kinds of perks is predatory. That's an area
20 that you can regulate. You've already heard about credit being
21 an issue. I would ask that you focus on some of these fact based
22 studies. That can provide a great deal of help to all of us.

23 In closing, let me just say that I would ask you to
24 remember people like Amy and Carolyn and Skip as you go forward,
25 because I think our society will be judged by how well we care
26 for those that are least able to care for themselves. Thank you.

27 CHAIRMAN JAMES: Thank you, Mr. Clark.

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